

17 April 1974

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MEMORANDUM FOR : Director of Personnel

SUBJECT : Proposed Change [REDACTED]

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The purpose of this memorandum is to suggest the need for a clarification [REDACTED] involving the maximum salary which can be paid to retired annuitants reemployed under contractual relationships. Currently the regulation reads that an annuitant's salary plus annuity cannot exceed the pay rate of the step closest to 90% of the current salary of the individual's grade and step at the time of his retirement. Our understanding, as provided by Contract Personnel Division, is that pay rate is defined as hourly rate. We have been challenged on this point on several occasions by retired annuitants working under part-time or WAE contracts who interpret the term pay rate to imply annual salary, i.e., "if I worked 40 hours a week, I would receive \$160.00 or \$4.00 an hour; why can't I get \$160.00 or \$8.00 an hour if I am only scheduled for 20 hours a week?" Unfortunately the regulation as we read it does lend itself to this interpretation. In view of this, we are proposing that [REDACTED] be revised to clarify this ambiguity and specifically state that the 90% rule is applied on an hourly basis irrespective of total weekly, monthly or annual earnings or hours worked if that is what is intended.

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[REDACTED]
Administrative Officer, DSI

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